

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

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**IN THE MATTER OF:**

**VETERANS OF FOREIGN WARS  
DEPARTMENT OF MISSISSIPPI**

**MELVIN JOHNSON**

**Respondents**

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) **ADMINISTRATIVE PROCEEDING**  
) **NUMBER: C-05-0262**  
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**CONSENT ORDER**

Finding it appropriate in the public interest, the Business Regulation and Enforcement Division of the Office of the Secretary of State of Mississippi (hereinafter "Division"), on behalf of the Secretary of State, having the power to administer and to provide for the Mississippi Charitable Solicitations Act, Miss. Code Ann. §§79-11-501 to 79-11-529 (Rev. 2001) (hereinafter "Act"), and Respondents VETERANS OF FOREIGN WARS DEPARTMENT OF MISSISSIPPI (hereinafter "VFW") and MELVIN JOHNSON do hereby enter into this Consent Order (hereinafter "Order"). This Order settles all of the Division's allegations of violations set forth below.

**I. Findings of Fact**

1. VFW is a charitable organization with a last known mailing address of Post Office Box 2027, Jackson, Mississippi 39225-2027, and a last known physical address of War Memorial Building, Jackson, Mississippi 39225-2027.

2. Melvin Johnson (hereinafter "Johnson") is a Mississippi resident who is a member of VFW and who acted a professional fund-raiser on behalf of VFW. Up to the

issuance of this Order, Johnson is not registered as a professional fund-raiser with the Division.

3. On or about March 31, 2005, and April 1, 2005, the Division conducted a lawful examination of the records of VFW's solicitation activities.

4. On April 29, 2005, the Division sent a letter to VFW detailing the Division's findings during the examination. The letter, in addition to enumerating the Division's findings, requests that VFW provide written, detailed explanations, including documentation, of implemented changes and details of changes to be made, if any, to each of the Division's findings by May 16, 2005.

5. In response to the Division's April 29, 2005, letter, VFW timely submitted a May 16, 2005, letter containing the organization's explanations for each of the Division's findings and offering proposed changes to prevent the problems from occurring in the future.

6. After reviewing VFW's explanations, documentation, and proposed changes, the Division determined that at least one (1) of the Division's findings remains problematic and violative of the Act.

7. As a part of its findings, the Division discovered that VFW paid Johnson a commission for selling ads in VFW's Mid-Winter Program Book. In VFW's response to the Division's findings, it indicates that VFW sells advertisement space in its Mid-Winter Program Book in order to help offset the expenses of VFW's conference. VFW further notes that its members who wish to sell the ads are paid a percentage of the ads sold for the time and money they spend selling said ads.

8. Based on the facts described *supra*, the Division has determined that Respondent Johnson acted as a professional fund-raiser for a charitable organization before registering with the Secretary of State in violation of Miss. Code Ann. §79-11-513.

9. Based on the facts described *supra*, the Division has determined that Respondent VFW used the services of an unregistered professional fund-raiser in violation of Section 79-11-519 of the Act.

## **II. Agreement**

In consideration of a final resolution of the matters set forth in the "I. Findings of Fact" above, the Division and Respondents hereby agree, stipulate and undertake as follows:

10. Respondents acknowledge and consent to the jurisdiction of the Secretary of State as to all matters and parties herein.

11. The Division shall impose a penalty upon Respondent VFW in the amount of Five Hundred Dollars (\$500.00). VFW shall remit payment to the Division, payable to the "Mississippi Secretary of State" upon execution of this Order. VFW shall promptly mail the executed Order along with a check in the above amount to the Division.

12. VFW agrees not to use the services of any unregistered professional fund-raisers.

13. Johnson agrees not to act as a professional fund-raiser for a charitable organization before registering with the Division.

14. This Order is in resolution of the Division's allegations of violations of the Act as described in "I. Findings of Fact" above. Thus, any of the matters detailed herein will not be used as a basis for action by the Division except as set forth in Section II *infra*.

15. Respondents recognize, acknowledge, and stipulate that a willful failure to comply with any of the terms, conditions or obligations of this Order will result in Respondents being deemed to be in violation of a lawful order made pursuant to the Act and, therefore, subject to the penalties of available under the Act.

16. Respondents are aware of their right to a hearing on this matter at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondents hereby irrevocably waive the right to such a hearing.

17. Respondents understand that the entry of this Order represents the settlement of regulatory claims by the Division against Respondents only and does not, in any way, restrict or affect the rights or causes of action, if any, of any Mississippi residents who have sustained losses as a result of Respondents' actions.

18. It is understood and agreed that the Division retains all rights available to it and that this Order is merely a settlement of those matters set forth herein. The Division specifically retains all rights to take such other and further action that it may deem necessary to take due to the discovery of additional violations of the Act by Respondents, other than those specific violations detailed and alleged in herein.

19. This Order shall remain in full force and effect from the date of execution of this Order by the Secretary of State or his duly appointed representative.




### III. Acknowledgement

The parties acknowledge that they have read this Order in its entirety and fully understand the rights, terms and obligations of each contained herein and they have been vested with the express authority to enter into this agreement. The parties further acknowledge that they have not been threatened or otherwise coerced into entering into this Order.

The undersigned hereby acknowledge and agree to the terms and conditions of the foregoing Order by written consent.

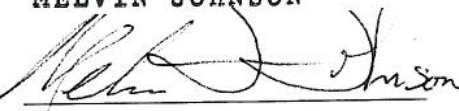
ERIC CLARK

Secretary of State

By:   
JAMES O. NELSON, II  
Assistant Secretary of State

Date: 6/27/05

MELVIN JOHNSON


By:   
(Sign Name)

Date: 7/17/05

MELVIN JOHNSON  
(Print Name)

COMMANDER POST 4934 MCCOMB  
(Title)

VETERANS OF FOREIGN WARS DEPARTMENT OF MISSISSIPPI

By:   
(Sign Name)

Date: 7/18/05

JOHNNIE RICHARD  
(Print Name)

ADJUTANT/QUARTERMASTER  
(Title)